

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

APR 19 2004

**AZ CORPORATION COMMISSION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

H

W-02235A  
Horseshoe Ranch Water Company  
P.O. Box 2903  
Sierra Vista AZ 856362903

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

Ann04	03
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## COMPANY INFORMATION

**Company Name (Business Name)** HORSESHOE RANCH WATER CO

**Mailing Address** P.O. BOX 2903  
(Street)  
Sierra Vista Az. 85636-7903  
(City) (State) (Zip)

(520) 378 3349 (520) 378 6549 (520) 720 0515  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** whbseco212.com

**Local Office Mailing Address** SAA  
(Street)

(City) (State) (Zip)  
SAA SAA SAA

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** JOHNNY A McLAIR OWNER  
(Name) (Title)

SAA  
(Street) (City) (State) (Zip)  
SAA SAA SAA

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** SAA

**On Site Manager:** JOHNNY A McLAIR  
(Name)

SAA SAA  
(Street) (City) (State) (Zip)  
SAA SAA SAA

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** SAA

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JOHNNY A McHAIR  
(Name)  
7110 So. SAGE RD HERFORD AZ 85615  
(Street) (City) (State) (Zip)  
(520) 378 3349 (520) 378 6549 (520) 220 0515  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Street) (City) (State) (Zip)  
\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input checked="" type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input checked="" type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME HORSESHOE RANCH WATER CO

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	5400	<del>0</del>	5000
302	Franchises	1300	<del>0</del>	1300
303	Land and Land Rights	5000	5%	5000
304	Structures and Improvements	15000	✓	750
307	Wells and Springs	5000		400
311	Pumping Equipment	23299		1065
320	Water Treatment Equipment	<del>0</del>		<del>0</del>
330	Distribution Reservoirs and Standpipes	43688		2184
331	Transmission and Distribution Mains	192900		9645
333	Services $250 \times 7 = 1750$	32950		1648
334	Meters and Meter Installations $250 \times 7 = 1750$	20050		1003
335	Hydrants	5000		<del>0</del>
336	Backflow Prevention Devices	<del>0</del>		<del>0</del>
339	Other Plant and Misc. Equipment	8635		432
340	Office Furniture and Equipment +300	3834		192
341	Transportation Equipment	9986		499
343	Tools, Shop and Garage Equipment	536		27
344	Laboratory Equipment	<del>0</del>		<del>0</del>
345	Power Operated Equipment	4050		203
346	Communication Equipment +700	4193		210
347	Miscellaneous Equipment	<del>0</del>		<del>0</del>
348	Other Tangible Plant	<del>0</del>		<del>0</del>
	<b>TOTALS</b>	<b>383821</b>		<b>29556</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

HORSESHOE RANCH WATER CO

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 175	\$ 250
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	2995	1750
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 3170	\$ 2000
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 377321	\$ 383821
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	168561	188263
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	<b>TOTAL FIXED ASSETS</b>	\$ 208760	\$ 195558
	<b>TOTAL ASSETS</b>	\$ 211930	\$ 197558

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME HORSESHOE RANCH WATER CO**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 26200	\$ 26200
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies <u>AJ 252K</u>	252000	293362
235	Customer Deposits	1550	1800
236	Accrued Taxes <u>EST NOT PAID</u>	(56,000)	(94770) <u>NOT PAID</u>
237	Accrued Interest	(18,000)	20,000
241	Miscellaneous Current and Accrued Liabilities <u>AJ 157058</u>	0	0
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 351750</b>	<b>\$ 436132</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 0</b>	<b>\$ 0</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 351750</b>	<b>\$</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	0	0
218	Proprietary Capital (Sole Props and Partnerships) <u>AJ 78962</u>	(139870)	(238574)
	<b>TOTAL CAPITAL</b>	<b>\$ (139870)</b>	<b>\$ (238574)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 211930</b>	<b>\$ 197558</b>

COMPANY NAME HORSESHOE RANCH water CO

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 75453	\$ 79595
460	Unmetered Water Revenue	e	e
474	Other Water Revenues	e	e
	<b>TOTAL REVENUES</b>	\$ 75453	\$ 79595
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages See (430)	\$ 1500	\$ 500 See (430)
610	Purchased Water (AI) 4540 NOT PAID	27140	41362
615	Purchased Power	4225	5155
618	Chemicals	800	330
620	Repairs and Maintenance	8400	1700
621	Office Supplies and Expense See 430	(500 630)	See 360
630	Outside Services	25500	35000
635	Water Testing	1340	1340
641	Rents	1714	See 360
650	Transportation Expenses	1400	" "
657	Insurance - General Liability	3600	7900
659	Insurance - Health and Life	1544	1544
666	Regulatory Commission Expense - Rate Case	e	e
675	Miscellaneous Expense	2500	1800
403	Depreciation Expense	18126	29558
408	Taxes Other Than Income NOT PAID (AI)	294720	NOT PAID 2941770
408.11	Property Taxes NOT PAID (AI)	2514000	2514000
409	Income Tax	e	e
	<b>TOTAL OPERATING EXPENSES</b>	\$ 191709	\$ 224819
	<b>OPERATING INCOME/(LOSS)</b>	(\$ 116256)	(\$ 145224)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ e	\$ e
421	Non-Utility Income	e	e
426	Miscellaneous Non-Utility Expenses	e	e
427	Interest Expense	e	e
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ ( e )	\$ e
	<b>NET INCOME/(LOSS)</b>	\$ (116256)	\$ 145224

COMPANY NAME HORSESHOE RANCH WATER CO

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 1985

Meter Deposits Refunded During the Test Year

\$ 500

COMPANY NAME HORSESHOE RANCH WATER CO

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
5515		
50554 Cochise Co	30	
55095 - 55085	30	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1	ONE	
5.0	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
2,000	1	5000	1
10,000	1		
38,000	1		

COMPANY NAME HORSESHOE RANCH WATER CO

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVE	11,050
3	PVE	11,600
4	AC/PVE	10,150
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	112
3/4	86
1	
1 1/2	
2	
Comp. 3	
Turbo 3	1
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES:

Storage Bldg:

OTHER:

one well off line - two storage sites  
THREE STORAGE TANKS AND FIFTY FIVE

COMPANY NAME: HORSESHOE RANCH WATER CO

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	194	868810	808
FEBRUARY	195	1031010	1031
MARCH	194	1534220	1534
APRIL	192	2509450	2509
MAY	193	3056300	3056
JUNE	190	3831850	3831
JULY	191	3540800	3540
AUGUST	192	2722650	2722
SEPTEMBER	191	2840610	2840
OCTOBER	193	2730590	2730
NOVEMBER	192	2025120	2025
DECEMBER	192	2059780	2059
TOTAL		N/A	28685

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 1001 mg/l

(If more than one well, please list each separately)

1001  
1001  
1001

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME HORSESHOE BARNHART YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. INADEQUATE INCOME

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported

Estimated or Actual Federal Tax Liability

State Taxable Income Reported

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company; or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
SIGNATURE\_\_\_\_\_  
DATE\_\_\_\_\_  
PRINTED NAME\_\_\_\_\_  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 19 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>COCOA</u>	2 CORPORATION COMMISSION DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) TITLE <u>JOHN A MC LAIR</u>	
COMPANY NAME <u>HORSESHOE RANCH WATER CO</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 79,595

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 4,576  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

DAY OF

COUNTY NAME <u>COCOA</u>	2004
MONTH <u>March</u>	
SIGNATURE OF NOTARY PUBLIC <u>Danilo Citrus</u>	

MY COMMISSION EXPIRES 12-26-2004

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 19 2004

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>COCHISE</u>	
NAME (OWNER OR OFFICIAL) <u>JOHANNY A McHAIN</u>	TITLE <u>owner</u>
COMPANY NAME <u>HORSESHOE RANCH WATER CO</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2003</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

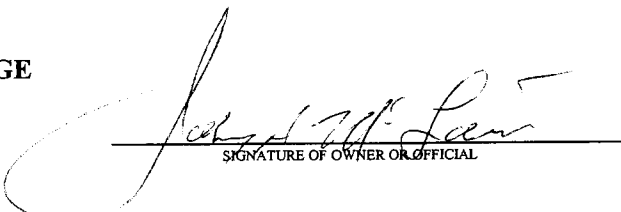
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 79595

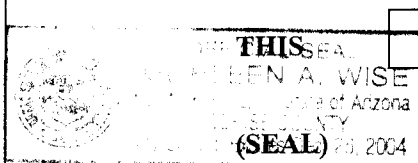
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 4576  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



12

DAY OF

NOTARY PUBLIC NAME <u>John A. Wise</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>March</u>	YEAR <u>2004</u>

MY COMMISSION EXPIRES

12-26-2004

  
SIGNATURE OF NOTARY PUBLIC